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TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1935

No. 287

CAMILLE V. TREIGLE, APPELLANT,

vs.

ACME HOMESTEAD ASSOCIATION

APPEAL FROM THE SUPREME COURT OF THE STATE OF LOUISIANA

FILED JULY 26, 1935.

SUPREME COURT OF THE UNITED STATES

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IN CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

Division "B"—Docket 5

No. 199,504

CAMILLE V. TREIGLE

versus

ACME HOMESTEAD ASSOCIATION

PETITION—Filed October 2[illegible], 1932

To the Honorable the Civil District Court for the Parish of Orleans:

The petition of Camille V. Treigle, of the full age of majority and a resident of the City of New Orleans, with respect represents:

I

That Acme Homestead Association is a corporation organized under the laws of the State of Louisiana, providing for and governing the creation of homestead and building and loan associations, and particularly under the general enabling and regulatory provisions of Act 120 of 1902, and laws amendatory thereof; that said Association is domiciled and doing business in the City of New Orleans.

[fol. 2]

II

That petitioner is the owner of Fifty (50) shares of the full paid stock of the Acme Homestead Association, of the face value of One Hundred ($100.00) Dollars each, represented by Certificate No. 1982-A for twenty (20) shares, dated the 24th day of October, 1921, Certificate No. 7158 for twenty-five (25) shares, dated the 9th day of December, 1929, and Certificate No. 5935 for five (5) shares, dated the 30th day of January, 1929, and were issued and delivered to your petitioner on said dates; that the aggregate of the par or face value of said certificates is the sum of Five thousand ($5,000.00) Dollars.

III

That said shares of stock are withdrawable shares, and were acquired by your petitioner subject to all of the rights provided by the charter and by-laws of said Homestead Association and of the statutes under which said Association was created and by which it was governed, and particularly by the applicable provisions of Act 120 of 1902, as amended by Act 280 of 1916.

IV

Your petitioner further represents that at the time of his investment in said Homestead Association and of the acquisition of his shares of full paid stock, as heretofore alleged, the reciprocal rights and liabilities between full paid shareholders and other shareholders, and between full paid shareholders and said Association, were regulated and controlled by the charter and by-laws of said Association and the statute law, especially Acts 120 of 1902 and 280 of 1916, then in force; that said provisions became, by force of law, an implied condition and provision in petitioner's contractual relationship with said Homestead Association as a consequence of petitioner's investment by the acquisition of said shares, as completely and fully as though written in detail in the certificates of shares themselves.

V

Your petitioner further represents that at the time of his investment, and acquisition of the full paid stock of said Association, as heretofore alleged, among the rights accorded to full paid shareholders by the charter and statutory provisions was that of withdrawing from said Association the investment made therein, at will, upon complying with the formal requisite of filing with said Association a written notice of intention to withdraw, whereupon there enured to the applicant for withdrawal certain statutory rights which became mandatory obligations upon the part of [fol. 3] said Association; all of which said rights and obligations are embodied and contained in the provisions of Section 7 of Act 280 of 1916, and which said rights and obligations petitioner avers are precisely as set forth in said Section and Act, and which are as follows, to-wit:

Section 7. "Be it further enacted, etc., That a member may withdraw his shares or credits thereon at any time by

giving written notice of such intention and shall then be entitled to receive the amount paid in by him, and such proportion of the profits as the act of incorporation or by-laws may prescribe, less all fines, charges, expenses and losses accrued or contingent to the time of notice of withdrawal, as the board of directors may determine.

"Each association shall keep a register of notices of withdrawal in the order in which they are filed, giving dates of notices and amounts to be withdrawn, and shall pay the same in the order in which such notices of intention to withdraw were filed. Whenever the proportion of receipts ordinarily made applicable to the demands of withdrawing members by resolution of the board of directors is not sufficient to pay all such demands within sixty days from date of notice, one-half of its receipts shall thereafter be applied to the liquidation of the claims of withdrawing members until all deferred claims are paid.

"Any association may permit a member to withdraw part of the accumulation to his credit without thereby reducing the numbers of shares held by him."

VI

Your petitioner avers that on the 19th day of May, in the year 1932, your petitioner applied to the defendant Homestead, under the terms of Section 7 of Act 280 of 1916, and in writing, to withdraw the amount of money thus invested in said Homestead, and represented by certificates Nos. 1982-A, 7158 and 5935, to-wit, the sum of Five thousand ($5,000.00) Dollars, and your petitioner annexed hereto and makes part hereof, as if set out in full herein, a copy of his said written notification of desire to withdraw said funds, marking same for identification Plaintiff—1.

VII

That under the said provisions of said Section 7 of Act 280 of 1916, with the elapse of sixty (60) days from the date of petitioner's notice of intention to withdraw his investments from said Association, and his said application being then unsatisfied, either in whole or in part, the [fol. 4] rights imparted to petitioner and the obligations imposed upon said Association, with respect to petitioner's withdrawal application, by the provisions of said Section

and Act, became fixed and vested; that thenceforth it became the mandatory duty and obligation of said Association, its officers and directors, to set aside one-half of the receipts of said Association, and to apply said funds solely to the discharge and liquidation, in the order filed, of petitioner's application and similar applications for withdrawal; that the validity of this procedure was affirmed, and the term "receipts" interpreted to mean net receipts, and homestead associations held subject to mandatory process to enforce this procedure, by the Louisiana Supreme Court in the case of Orlando versus Reliance Homestead Association, reported in Southern Reporter, Vol. 142, page 146; 174 La. Ann. 980.

VIII

That petitioner believes and, so believing, avers that after the date of his notification of intention to withdraw from said Association, many similar applications for withdrawal by other members in said Association were so paid and discharged in full, but to the date of the filing of this petition your petitioner has received nothing on account thereof.

IX

Your petitioner further avers that, either by reason of a default sixty (60) days after the application for withdrawal, in whole or in part, on the part of some other investor, or because of the default in whole after sixty (60) days from notice of intention to withdraw by petitioner himself, the said defendant Homestead Association became obligated under the terms of said statute to apportion fifty (50%) per cent of its net receipts regularly to the payment of said applications for withdrawal, in their proper sequence, and that said Homestead Association has observed said procedure under said Act 280 of 1916 regularly, although never reaching payment of the withdrawal application of your petitioner, and has continued to follow said procedure up to the effective date of Act 140 of 1932, hereinafter more particularly referred to, and purporting to change said procedure.

X

That after your petitioner, by his application to withdraw under Section 7 of Act 280 of 1916, had established

himself in his proper rank and place, according to the date [fol. 5] of his application, on the list of the defendant Homestead's shareowners applying for withdrawal of their money, and had waited in vain from the time of his application for withdrawal until the meeting of the 1932 General Assembly of Louisiana for payment of the Five thousand ($5,000.00) Dollars, represented by his certificates, it came to the attention of petitioner that proponents of a new and different system of withdrawing funds invested in homestead shares were endeavoring to have the 1932 Legislature pass a new homestead law which would seriously alter the status of petitioner to his disadvantage, and would destroy his legal rights, acquired under Section 7 of Act 280 of 1916, to be paid the proceeds of his shares in in the defendant Homestead, in the rank and manner provided by said Section 7, as well as disrupting and wiping out the ma-datory requirement of apportionment of fifty (50%) per cent of the net revenues of said Homestead to such payments; and, in every other particular hereinafter detailed, depriving petitioner of legal rights acquired by him under the law applicable to his investment; that petitioner not only did not acquiesce in said plan to change the law applicable to his investment, but appeared, through counsel, before the committees of the Legislature and urged the injustice and illegality of so depriving him of the rights he had acquired under the existing law, but that the said Legislature of 1932 nevertheless enacted what is known as the General Homestead Law of 1932, being Act 140 of that year.

XI

That, — general, said Act 140 of 1932 supercedes Act 280 of 1916, and purports to permit of new innovations and experimentations radically differing from the statutory provisions of said latter acts, and which are inconsistent with, and utterly destructive of, the fundamental and established principles inherent in the nature of building and loan institutions; that it destroys and materially changes substantive rights, and impairs or abolishes obligations theretofore created, and subsisting, in favor of withdrawing shareholders of said institutions; and purports to do these things retrospectively and in a manner applicable and prejudicial to the statutory rights accorded by the

mandatory provisions of former laws, and particularly by Act 280 of 1916; all of which is done or attempted without legal or constitutional justification and in a manner that is unreasonable and arbitrary.

[fol. 6] XII

That, more specifically, petitioner herewith enumerates and details the parts of said Act 140 of 1932 wherein said changes and innovations are attempted and of the manner and respects wherein they are prejudicial to petitioner and violative of his constitutional rights:

(a) That Section 56 of said Act purports to supersede and abolish the requirements made mandatory on the part of said Association by former laws, to set aside and allocate one-half of the net receipts towards the liquidation of petitioner's withdrawal application, and to substitute therefor, and in lieu thereof, the discretion of the Board of Directors; that said section permits of the making of new loans, and of the payment of dividends, from the proportion of net receipts theretofore reserved to applicants for withdrawal under the provisions of Act 120 of 1902 and Act 280 of 1916.

(b) That Section 57 of said Act, in permitting of the sale of repossessed property of said Association, in exchange for shares of unpled- stock, inaugurates an innovation that is experimental and destructive of the principal of mutuality upon which said institutions are founded, and upon the basis of which they have always existed in Louisiana; that such a provision permits of a preference in the retirement of stock of shareholders not on the withdrawal list, and of the disposition of a valuable asset of said Association i nsuch a manner as can in no way enure to the benefit of withdrawing shareholders—contrary to the provisions of Act 280 of 1916, and highly prejudicial to the rights and obligations thereby accorded to petitioner as a withdrawing shareholder.

(c) That Section 53 of said Act permits said associations to infringe upon the one-half of net receipts formerly required to be allocated to withdrawing shareholders, as heretofore alleged, by allowing for the creation of cash reserves to pay dividends to continuing members.

(d) That Section 54 of said Act creates a new experimentation in the manner and method of payment of withdrawals, reduces the amount payable, upon maturity of the application, from one hundred (100%) per cent to twenty-five (25%) per cent; provides a stagger system of payment, and abolishes the system of payment in full in the order filed; creates a discriminatory provision for payment in full of shareholders owning Five Hundred ($500.00) Dollars or less; accords to the directors an optional discretion to further discriminate in the pay-
[fol. 7] ment of applications of One Hundred ($100.00) Dollars or less; and completely destroys the absolute mutuality heretofore existing between installment shareholders and full paid shareholders, by according to the former a preference; all of which is done and permitted retrospectively, and by said Act made obligatory upon said Association.

(e) That Section 55 of said Act attempts to deprive withdrawing shareholders of free access to the courts to enforce their rights and protect their rights and protect their investments; denies to them a cause of action except under the provisions of Act 140 of 1932, and abolishes the right of access to the books and records of such associations for any other purpose.

All of which said innovations, experimentations and changes are material and substantive, and highly prejudicial to the vested contract rights heretofore accorded to petitioner by law, and especially by the provisions of Act 120 of 1902, as amended by Act 280 of 1916.

XIII

That, therefore, Sections 53, 54, 55, 56 and 57 of Act 140 of 1932, deprive your petitioner of "equal protection" and of "due process of law"; that they are arbitrary and unreasonable in their application to petitioner, divest petitioner of vested rights, and "impair" the obligation of petitioner's contract with said Association, as heretofore alleged; that said sections are therefore violative of Amendment 5, Section 1 of Amendment 14, and Section 10 of Article I of the Constitution of the United States, and Section 15 of Article IV of the Constitution of the State of Louisiana for the year 1921, and are therefore null and

void insofar as they are sought to be made retrospective in their applicability to petitioner or his withdrawal application in said Association.

XIV

That the framers of said Act 140 of 1932, doubtless having in mind the confiscatory character, injustice, illegality and unconstitutionality of the before complained of provisions of said Statute, in its attempted retroactive operation upon the withdrawing shareholders whose rank had become established under the previous law, have provided by Section 76 of said Act 140 of 1932 a plan of validation of said Statute by acquiescence, in that the said Section 76 permits of a period of ninety (90) days from the effective date of the Statute within which the shareholders may, by their silence and inaction, acquiesce in these new provisions and law effecting them, much in the same man- [fol. 8] ner as new shareholders coming into the Association would tacitly accept provisions of the then existing laws; but that your petitioner, who has diligently and vigorously opposed this attempted destruction of his rights now declared upon, declines acquiescence in the changed provisions of the Act of 1932, as affecting him, and does now, within the ninety (90) day period, repudiate and protest against the application of said changed provisions of law retroactively upon himself, and does call upon this Honorable Court to take notice of his refusal to acquiesce and to, therefore, protect him in the maintenance of his rank and rights as a withdrawing shareholder from the defendant Homestead under Section 7 of Act 280 of 1916; that said Act 140 of 1932 became effective on July 27th, 1932.

XV

That petitioner has no adequate remedy at law — than by the process of injunction to restrain and prohibit said Association from applying and following unconstitutional permissive and obligatory provisions of Sections 53, 54, 55, 56 and 57 of Act 140 of 1932, in the manner and respects hereinbefore complained of and enumerated in detail under Article XII of this petition, insofar as they may disturb the status and effect the statutory and contract rights of petitioner and the investment which petitioner has made in said Associaion; that unless said Association is enjoined

from following the course of conduct either permitted or made obligatory by said Sections of Act 140 of 1932 to the extent that they destroy and adversely impair the vested rights which petitioner has acquired as a withdrawing shareholder, petitioner will suffer irreparable injury.

Wherefore, petitioner prays that a rule "nisi" issue herein, ordering the Acme Homestead Association, through its proper officers, to show cause, on a day and hour to be fixed by this Honorable Court, why a preliminary injunction should not issue herein, restraining and forbidding the Acme Homestead Association, its officers, agents and employees, from following the course of conduct made permissive or obligatory by the provisions of Sections 53, 54, 55, 56 and 57 of Act 140 of 1932, in such a manner as to disturb the status of petitioner's withdrawal application of his investment in said Association, or in such a manner as to change, alter or impair the rights accorded to petitioner as a withdrawing shareholder by the provisions of Act 120 of 1902, as amended [fol. 9] by Act 280, 1916.

Petitioner further prays that the Acme Homestead Association, through its proper officers, be duly cited to appear and answer this petition and, after legal delays and due proceedings had, there be judgment herein in favor of petitioner, Camille V. Treigle, and against Acme Homestead Association, said judgment decreeing that Sections 53, 54, 55, 56 and 57 of Act 140 of 1932, insofar only as they may or do affect petitioner or petitioner's investment and the rights acquired by petitioner as a withdrawing shareholder under the provisions of Act 120 of 1902, as amended by Act 280 of 1916, are unconstitutional, null and void; judgment further decreeing that petitioner is entitled to enforce the provisions of Section 7 of Act 280 of 1916, and to have and enforce all and every right accorded to petitioner, by said Section and Act, or by any other provision of Act 120 of 1902, as amended by Act 280 of 1916; said judgment further perpetuating the temporary injunction herein sued out, until petitioner has received in full his investment of Five Thousand ($5,000.00) Dollars, represented by certificate No. 1982-A for twenty (20) shares, certificate No. 7158 for twenty-five (25) shares, and certificate No. 7158 for twenty-five (25) shares, and certificate No. 5935 for five (5) shares in said Homestead Association.

Petitioner further prays for all orders deemed necessary or proper, for all costs of this proceeding, and for such further and general relief as petitioner might be entitled to by law, equity and the nature of the case.

By his attorneys, (Signed) Alex W. Swords, (Signed) Hugh M. Wilkinson. (Signed) Alex W. Swords, Trial Attorney.

Duly sworn to by C. V. Treigle. Jurat omitted in printing.

[fol. 10] ORDER

Let a rule "nisi" issue herein, and let the defendant, Acme Homestead Association, through its proper officers, be and it is hereby ordered to show cause on the 31st day of October, 1932, at the hour of 10:30 o'clock A. M., why a preliminary injunction should not issue in this cause, as prayed for and according to law.

New Orleans, La., October 21, 1932.

(Signed) M. M. Boatner, Judge.

EXHIBIT 1 TO PETITION

May 19, 1932.

Acme Homestead Association, 810 Peydras Street, New Orleans, Louisiana.

GENTLEMEN:

I am the owner of the following certificates, representing 50 shares of stock in your Association:

Certificate # 1982-A	20 shares
Certificate # 7158	25 shares
Certificate # 5935	5 shares

I give this notice that I desire to withdraw the funds represented by said certificates from your Association.

I would thank you to acknowledge receipt thereof.

Very truly yours, C. V. Treigle.

CVT.AK.

[fol. 11] IN CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

No. 199,504

[Title omitted]

ANSWER—Filed January 13, 1933

To the Honorable, the Civil District Court for the Parish of Orleans:

And, now, into this Honorable Court comes Acme Homestead Association, made defendant in the above entitled and numbered cause, and, for answer to the rule nisi, and, also, for answer to the petition of the plaintiff, with respect shows the Court:

I

Respondent denies the averments of Paragraph I, except as hereinafter admitted.

Respondent is a building and loan association, organized and operated under the laws of the State of Louisiana, particularly Act 140 of the Legislature of 1932, and is domiciled and doing business in the City of New Orleans.

II

Respondent admits the allegations of Paragraph II.

III

Answering Paragraph III, respondent admits that said shares are withdrawable shares.

Respondent shows that the other averments of Paragraph III are conclusions of law, which respondent is not required to answer. In the alternative, if any facts are involved in said paragraph said facts are denied.

IV

Answering Paragraph IV, respondent shows that the averments of the said paragraph constitute conclusions of law, which respondent is not required to answer; and, if any facts are involved in said paragraph, then respondent denies said facts.

V

Answering Paragraph V, respondent admits that the [fol. 12] shares of petitioner are withdrawable shares; and respondent shows that the other averments of the said paragraph are conclusions of law, which respondent is not required to answer. If any facts are embodied in said paragraph, the said facts are denied.

VI

Respondent admits the averments of Paragraph VI.

VII

Answering Paragraph VII, respondent shows that said paragraph contains mere conclusions of law, which respondent is not required to answer; and if any averments of fact are contained in said paragraph, the said averments are denied.

VIII

Respondent admits the averments of Paragraph VIII, but shows that all such applications for withdrawal by other members in said Association had been applied for and made previous to the application of the withdrawal of the petitioner herein, and were paid by respondent association, when reached on the withdrawal list, in strict accordance with law; and respondent shows that numerous applications for withdrawal antedating petitioner's application herein sued on were never reached on respondent's list, and remain unpaid.

IX

Respondent denies the averments of Paragraph IX, except as hereinafter admitted, and respondent shows that it has always, and is now, complying with the law.

X

Answering Paragraph X, respondent denies the averments of fact and conclusions of law stated in said paragraph, except as hereinafter admitted.

Respondent admits the enactments of Act 140 of 1932 by the Legislature of Louisiana of that year, and the appearance of petitioner, through counsel, to voice opposition to said legislation at the time of the enactment thereof.

XI

Answering Paragraph XI, respondent shows that the said paragraph contains only conclusions of law, which respondent is not required to answer. If any statements of fact are contained in said paragraph, the same are denied.

[fol. 13]

XII

Paragraph XII contains conclusions of law, which respondent is not required to answer. If said paragraph contains any averments of fact, the said facts are denied.

XIII

Paragraph XIII contains conclusions of law, which respondent is not required to answer. If said paragraph contains any averments of fact, the said facts are denied.

XIV

Respondent admits that Act 140 of 1932 of the Legislature of Louisiana became effective on July 27, 1932.

Respondent denies the other averments of law and of fact contained in Paragraph XIV of plaintiff's petition.

XV

Paragraph XV contains conclusions of law, which respondent is not required to answer. If said paragraph contains any averments of fact, the said facts are denied.

Further answering, respondent shows that building and loan associations in Louisiana are quasi-public institutions, organized and doing business not for profit, but to enable wage-earners to own their homes. Said Associations, not only in Louisiana, but in practically every other State, as also in England, have always been recognized as being subject to public supervision, regulation and control. In Louisiana, the status of these associations, is and has for many years been, reflected in numerous provisions of the legislative statutes and in many decisions of the courts. In bar of the claims of the petitioner herein, respondent pleads the provisions of Act No. 140 of 1932 of the Legislature of Louisiana, and particularly the provisions of Section 80 of said Act.

In Louisiana, at the close of the year 1930 (last available date), there were one hundred two (102) building and loan

associations, with a membership of 200,930 and assets totalling $182,358,292.00. In the United States, including Hawaii, the total number of building and loan associations was 11,777, with a total membership of 12,350,928 and total assets of $8,828,611,925.00, an increase over the previous year in assets of $128,964,939.00 and in membership of 225,545. The building and loan associations in Louisiana, at the close of 1930, owned mortgage loans totalling $161,525,736.00, invested in homes and representing, with savings [fol. 14] banks, the greatest factor for the promotion of thrift and good citizenship in the State. The outstanding mortgage loans in building and loan associations in the United States, for the year 1930, represented a total of $7,764,034. The total number of depositors in savings banks in the United States for the year 1930 was 11,895,075, and the total assets of said banks, at the end of that year, amounted to $9,190,969,000.00. In building and loan associations in the United States for that year, there were 12,350,928 members, and the total assets of the said building and loan associations in that year were $8,828,611,925.00.

Your respondent shows that, on or about July 27th, 1932, it had 3,902 member shareholders, with total outstanding mortgage loans of $2,267,000.00, and total assets of $3,128,895.47, and a withdrawal list consisting of 540 applicants, representing $462,217.39, upon which withdrawal list respondent has made no payments since May 15th, 1931, and that respondent has not been able, since that time, to make any payments upon its said withdrawal list.

Since the date of the organization of the first building and loan association in Louisiana, under normal conditions of business, the said associations have been able to meet applications for withdrawals practically on demand. In 1929 it became impossible under the conditions of depression in the business world then prevailing, for many building and loan associations to meet on demand applications for withdrawal, and withdrawal lists were instituted in numerous building and loan associations in this State, and elsewhere, Act 140 of 1932 was enacted by the Legislature of Louisiana to provide a method of withdrawal which would equitably take care of the applications of members in such associations, and, at the same time, protect and safeguard the interests of the public in said associations.

Under normal business conditions, building and loan associations in this State, and elsewhere, were operated

without difficulty under a withdrawal plan by which shareholders desiring to withdraw were paid off in sequence and with regard to the individual needs of the applicants or the amounts of their applications for withdrawal. Under normal conditions, these associations received daily substantial deposits and collections, making it easy for them to meet on demand the applications of their withdrawing shareholders.

[fol. 15] But these conditions were fundamentally altered by the present depression. As there was great unemployment and a tremendous need for cash for living expenses in millions of households in this country, there was a great decrease in the amount of funds available for investment in building and loan associations. In this State, about twelve months ago, conditions reached the point where, owing to the great public distress and poverty, no one had any money which could be invested in building and loan associations, and all receipts from the investing public or wage-earners ceased absolutely. This same condition made it necessary for those who were already shareholders in such associations to apply for the withdrawal of their investments. At the same time, the normal collections from borrowers substantially decreased, as, owing to the unemployment, many of the members found it impossible to keep up the payments on their homes. The associations were compelled to repossess many of said homes, which, because of the lessened buying power of the public, and the lack of money and credit generally, could only be resold at a loss. When the associations retained their repossessed properties, they became subject to heavy and burdensome expenses for taxes, paving and repairs in respect of said properties.

The absence of funds from investors, the necessity of repaying bank loans out of current receipts, the extraordinary expenses incident to the administration of large blocks of repossessed properties, made it necessary for the associations to postpone and delay the payment of withdrawal applications, almost indefinitely.

In every association, the shareholders nevertheless continued to present applications for withdrawals; and it became evident, if the associations were to continue under the plan then existing for the payment of withdrawals, that, for a long period of time, only a few shareholders could ex-

pect to receive in cash the repayment and return of the monies invested by them in said associations; this being especially true because, in many cases, at or near the top of the withdrawal lists, were many large investors whose applications for withdrawals would have to be paid first, before any payments whatever could be made to other shareholders not so favorably placed on the withdrawal list.

There were also many shareholders who were particularly in great need of the cash repayment of their small savings; and, because of the clogged conditions of the withdrawal lists, it was likely, in many instances, that these small investors would have to wait many months, and in [fol. 16] several cases many years, before receiving the return of their investments.

The new statute (Act No. 140 of 1932), through the medium of a new and improved plan for the payment of withdrawals, meets the varying conditions above set forth, by a reasonable and proper and legal exercise of the police power. This new plan does not displace any application for withdrawal, but, for the general good, and in the interest of the public welfare, without partiality or inequality, provides for the distribution, on a more equitable basis, of any funds available for the payment of withdrawal in any building and loan association.

The said statute was recommended to the Legislature by the State Banking Commissioner and Supervisor of Building and Loan Associations in this State. The State Banking Department for thirty years, as required by law, has been recommending basic changes in the organization, operation and management of building and loan associations. Many of these recommenations have been adopted by the Legislature, and enacted into law. Said recommendations and new legislative provisions have been complied with by the building and loan associations of this State. Indeed, until the filing of the present suit, no one in Louisiana has ever questioned either the interest of the public in the safe and proper management of building and loan associations, or the right of the Legislature, in its discretion, to regulate, or to suppress altogether, the business of building and loan associations.

The system of withdrawal is no longer a race of diligence between stockholders where the rich and, as a rule, better informed, though less needy, stockholder may rush in and

get paid to the prejudice of his poorer, more needy and less informed brother.

Wherefore, the premises considered, respondent prays that the demand of the plaintiff may be denied, and that plaintiff's suit be dismissed, with costs.

And for all general and equitable relief.

(Signed) Legier, McEnerny & Waguespack, Attorneys for Defendant. (Signed) Harry McEnerny, Jr., Trial Attorney. (Signed) J. Zach Spearing, Delvaille H. Theard, Scott E. Beer, Weiss, Yarrut & Stich, Carroll, McCall & Plough, A. D. Danziger [fol. 17] and P. H. Stern, J. G. Dempsey, D. J. Murphy, H. Mithoff.

Duly sworn to by Joseph S. Flandry. Jurat omitted in printing.

[fols. 18-29] IN CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

No. 199,504

[Title omitted]

DEFENDANT'S EXCEPTIONS—Filed May 16th, 1933

Into court comes the defendant, Acme Homestead Association, which excepts to the petition and demand of the plaintiff herein, on the ground that the same discloses no right of action and no cause of action.

Wherefore, exceptor prays that the said exceptions may be maintained, and that the present suit may be dismissed at the cost of the plaintiff.

And exceptor prays for all general and equitable relief, etc.

(Signed) Legier, McEnerny & Waguespack, Delvaille H. Theard, Attys.

Certificate

Delvaille H. Theard, of counsel herein, does hereby certify that, in his opinion, the foregoing exceptions are well

founded in law; that said exceptions have been filed in good faith, and not for delay.

New Orleans, May 16, 1933.

(Signed) Delvaille H. Theard.

[fols. 30 & 31] In Civil District Court of Orleans Parish

Charter and By-Laws of the Acme Homestead Association, New Orleans, Louisiana, Filed by Counsel for Plaintiff—Filed June 1st, 1934

* * * * * * *

Section 6. Withdrawals.—Full Paid Stock may be withdrawn at any time, by giving notice, in writing, to the Association through its Secretary, which notice shall be registered by him in order received, and in the same manner as notices for withdrawals of Installment shares, and shall be paid for in the order received, out of any unappropriated money in the treasury; provided that not more than one-half of the monthly receipts of the Association shall be used in the payment of withdrawals. Dividends shall cease from the date of the Notice of withdrawal. The Shareholder shall receive the face value of the stock, together with all dividends declared thereon, which shall not have been previously withdrawn, less a pro-rata share of losses, if any, in excess of the amount in the Contingent fund of the Association.

* * * * * * *

[fol. 32] In Civil District Court of Orleans Parish, Division "D"

No. 199,497

Treigle Sash Factory, Inc.,

vs.

Conservative Homestead Assn.

Reasons for Judgment—Filed May 16, 1934.

In these cases, there were originally seven suits filed, one of which, the suit of Mrs. Poulit v. Fidelity Homestead

Assoociation, No. 199,522, has been discontinued. The balance of the cases are exactly alike and involve the same issues, with the exception of Sokolsky v. Equitable Homestead, No. 199,559, which differs slightly in the relief sought, but which is nevertheless identical in the constitutional issues involved.

All of the plaintiffs in writ of injunction attack Sections 53 to 57, inclusive, of Act 140 of 1932 on the ground that they deny them the equal protection of the laws and impair the obligations of contracts, in violation of the provisions of the Constitution of the United States and of this State.

They claim contractual rights by virtue of their subscription to stock in the respective homesteads and by virtue of the rights of withdrawal granted them at the time of their subscriptions to paid-up stock, under the provisions of Section 7 of Act 280 of 1916, and claim that these contractual rights were impaired by the aforesaid sections of the Act 140 of 1932.

The defendants, on the other hand, contend that no contractual rights were vested by virtue of Section 7 of Act 280 of 1916, but that whatever rights were granted were purely statutory and were subject to the reserved right of the legislature to change these rights as it saw fit under an exercise of the police power of the State.

It is, therefore, necessary to inquire first whether any rights accrued to the plaintiffs by virtue of their paid-up subscriptions to the stock of the respective homestead associations under Section 7 of Act 280 of 1916.

In a consideration thereof, it must be borne in mind that building and loan associations have been the subject of legislation over a long period of time, but it was not until 1902 that the legislature saw fit to provide the measure of allotment or the restrictions upon allotment with regard to paid-up shares. Thus Section 7 of Act 120 of 1902 provided:

"That a member may withdraw his unpledged shares at any time by giving written notice of such intention as provided for in the act of incorporation or by-laws and shall then be entitled to receive the amount paid in by him, and such proportion of the profits as the act of incorporation or by-laws may prescribe, less all fines, charges and losses accrued, or contingent, to the time of the notice of withdrawal, as the board of directors may determine, with no

interest or profits from the time of such notice; but at no [fol. 33] time shall more than one-half of the monthly receipts be applicable to the demands of the withdrawing members without the consent of the directors."

It will be observed, therefore, that this section fixed a limitation upon the amount applicable to the demands of withdrawing members, but imposed no obligation whatever to allot any particular amount, leaving the question of amount of allotment entirely in the discretion of the board of directors.

As financial conditions improved and the use of homesteads by subscribing members for the purpose of purchasing and building homes became more pronounced, it was thought advisable by the legislature to amend Section 7 of the Act of 1902 so as to hold out additional inducements to those subscribing to paid-up stock, and, in accordance therewith, Section 7 was amended so as to read as follows, to-wit:

"That a member may withdraw his shares or credits thereon at any time by giving written notice of such intention, and shall then be entitled to receive the amount paid in by him, and such proportion of the profits as the act of incorporation or by-laws may prescribe, less all fines, charges, expenses and losses accrued or contingent to the time of notice of withdrawal, as the board of directors may determine.

"Each association shall keep a register of notices of withdrawal in the order in which they are filed, giving dates of notices and amounts to be withdrawn, and shall pay the same in the order in which such notices of intention to withdraw are filed. Whenever the proposition of receipts ordinarily made applicable to the demand of withdrawing members by resolution of the board of directors is not sufficient to pay all such demands within sixty days from date of notice, one-half of its receipts shall thereafter be applied to the liquidation of the claims of withdrawing members until all deferred claims are paid.

"Any association may permit a member to withdraw part of the accumulation to his credit without thereby reducing the number of shares held by him."

It is obvious, therefore, that the Act of 1916 made a substantial change in the rights of paid-up stockholders desir-

ing to withdraw, because, whereas, under the provisions of the Act of 1902, the matter was left to the discretion of the Board of Directors, with a limitation upon the amount which they may apply to such demands, the Act of 1916 continued the discretion in the board of directors, but also provided that, if the amount applied by them to the withdrawing members was not sufficient to pay them in whole within sixty days, thereafter one-half of its receipts should be applied to the liquidation of the claims of withdrawing members until all deferred claims are paid.

It is this right to a segregation of one-half of the receipts which the plaintiffs in these cases claim are contractual rights which the superseding Act of 1932 impairs.

There is no force whatever in the contention of defendants that there has been no change between the provisions of the Act of 1902 and the Act of 1916, because, as hereinabove pointed out, the right to the segregation of the funds is not only a substantial change, but is one which held out an early liquidation of the claims of the withdrawing stockholders by the aforesaid segregation of a proportion of the receipts, and it is this inducement or guarantee which no [fol. 34] doubt led most of the subscribers to make the investments in the respective homesteads, which during the boom period were so prolific.

The defendants, however, claim that this right accruing under the Act of 1916 was not a contractual right, but that it was what they term a statutory right, resulting from the provisions of the Act of 1916, which they contend contained a reserved right to amend by the legislature, and that the provisions of the Act of 1916 were merely a legislative grant, subject to change at the whim of the legislature.

In support of these respective contentions, I have been furnished with very able argument on behalf of extremely competent attorneys for both the plaintiffs and defendants, together with elaborate briefs on both sides. These briefs have been supplemented by counsel in furnishing me with the decisions in the cases of Home Building & Loan Assn. v. Blasdell, decided January 8, 1934, Advance Sheets Supreme Court Reporter, Vol. 54, page 5 (commonly referred to as the "Moratorium Case"); Leo Nebbia, appellant, v. People of the State of New York, decided March 5, 1934, by the Supreme Court of the United States (commonly referred to as the "Milk Case"); In the Matter of the Application of the People of the State of New York, by George

S. Van Schaick, Superintendent of Insurance of the State of New York, for an Order to Take Possession of the Property of and Rehabilitate the Title & Mortgage Guaranty Company of Buffalo, decided March 21, 1934, by the Court of Appeal for the State of New York; and also a decision of the Supreme Court of this State in the matter of Harding v. Blanchard, No. 32,763 of the docket of said Court, decided March 26, 1934.

The only bearing that the latter case has on the instant case is that it was therein decided that Section 57 of Act 140 of 1932, which permitted the defendant corporations to accept their own stock, as part of the purchase price in disposing of repossessed property, was not a violation of any contractual or statutory rights accruing to paid-up stockholders, but was merely administrative in its character and did not trench upon the reserve fixed by the Act of 1916. That, of course, disposes of any contention in these cases involving Section 57. The remaining cases above cited will be discussed later.

The contention of defendants that the paid-up stockholders acquired no rights under the Act of 1916 is, in my judgment, absolutely without merit.

There are two schools of thought in the application of the contract clauses in the federal and state constitutions, one of which may be designated as the "liberal" school and the other as the "conservative" school.

Presently the United States Supreme Court is divided five to four, with the liberal school prevailing. There is, however, no difference in opinion whatever between the respective schools in their firm conviction that the contract clauses of the federal and state constitutions form a fundamental part of the form of government under which both the federal and state government function.

There is a firm conviction on the part of each school that any surrender of the rights accruing under the provisions of these guarantees would amount to a change in the form of government, and they, therefore, are in common agreement in the belief that these guarantees are fundamental [fol. 35] and immutable. The difference in opinion between these respective schools is always in the application of these guarantees, and, as said before, not as to their fundamental guarantees.

That is the reason why, in every one of the cases decided by the Supreme Court of the United States, and very

largely by the decisions rendered by the respective state courts, the language used by the prevailing opinions is extremely guarded in its expression. An attempt is always made, as far as humanly possible, to confine the language of the case in its application to that particular case, and there is always a discussion of the previous cases, either as direct authority for the views held in the particular case at issue, or in order to differentiate the case at issue from previous decisions.

In short, what we term the "liberal" school of thought is merely more liberal in allowing a broader legislative authority to meet the changed conditions in political, social and economic conditions so as to promote the morals, health or general welfare of the people; whereas, the "conservative" school are a little more timorous in their allowances. However, the liberal school is always so guarded in its language, wherein it affirms what some believe to be legislative encroachments, that the difference between the two schools of thought is tenuous indeed.

That contractual rights flow to the subscribers under Section 7 of Act 280 of 1916, in my judgment does not admit of debate, because, where a person deals with a corporation which is subject to legislative control, he deals with it on the basis of the legislation then existing. The legislation is a limitation only on the corporation, and, being a limitation, it carries with it the corollary that the things authorized or not prohibited are allowable, and, therefore, when the legislature fixed the amount which would be available for the liquidation of the rights of paid-up and withdrawing stockholders, this unquestionably constituted a contract between the parties.

This is so well settled that I will not burden the appellate court with a citation of authorities. They will find most of them referred to in the Home Building & Loan Assn. v. Blasdell decision referred to above.

Not only did it carry with it contractual rights to a segregation of the funds provided in the statute, but it carried with it, as a contractual right, all of the remedies which the then existing laws provided.

But, say defendants, if they be contracts, these contractual rights must surrender to the paramount right of and exercise of the police power. It is, of course, a legal truism that all contracts have impliedly written into them the reserved right of sovereignty, that is, the right of the

government, state and national, in the exercise of its police power, to ameliorate or mitigate the effect of contracts, or, even in extreme cases, to abrogate them altogether.

It does not follow, however, by the fact that this reserved right is inherent that the legislature may arbitrarily abrogate or affect these rights under the guise of the police power, unless it is clear that the legislation promotes the general welfare or affects public health or morals; or, according to the latest thought on the subject, to which I [fol. 36] readily subscribe, changed economic conditions warrant the legislation on the theory that an emergency exists in which the public is vitally interested, and that the legislation can, therefore, be supported on the basis of the emergent condition. But it must be kept in mind also that legislation sustained on this basis can only be sustained as long as the emergency continues.

From a reading of the opinions in the Milk Case and the Moratorium Case and in the Bond Case (decided by the Court of Appeal of New York), all of which are referred to above, it will be readily seen that these enactments were sustained only on the basis of the emergency, the time limit being fixed in the Act; and, in the Moratorium Case, not only on the basis of the time limit being fixed in the Act, but because of the provision in the Act that the rental value was secured to the mortgage holder pending the statutory moratorium, so that he could suffer no eventual loss during the time limitation; and, inasmuch as the United States Supreme Court divided five to four, even on this grudging adjudication one can appreciate within what narrow bounds the decision hinged.

In the Milk Case, the maximum price for milk was fixed in the act, and the time limit for the term of the enactment was therein fixed. This case was also decided within narrow limits and because of the two-fold fact that the use of milk was a public necessity, vital to the health of the community, and because of the admittedly disastrous economic conditions presently prevailing in the milk industry.

How far, then, do the provisions of Sections 53 to 56, inclusive, trench upon the contractual rights accruing to the plaintiffs, and how far are they permissive under the restrictions of the federal and state constitutions?

The Court can take judicial knowledge of the fact that we have a world depression such as was never known in

historic times; that changed conditions in the political, sociological and economic life of the states and nation are so pronounced that they affect every business and industry and even the personal welfare of the individual citizen. No two economists agree upon the causes for this condition, but the facts are so obvious that they are admitted by economists and laymen alike.

While homesteads are organized for the purpose of promoting thrift and industry, and in large cities like New Orleans they deal with a fairly large aggregate of people, they do not in any sense affect the public at large, such as do banks, insurance companies and public service corporations. They are not, in the true sense, corporations engaged in a business charged with a public interest such as the foregoing are, nor are they quasi-public corporations. They deal entirely with their subscribers and borrowers and with banks and financial institutions which furnish them banking facilities; and, while they are subject to the regulations of the State as to the manner and form in which they do business, persons doing business with them are justified in accepting the law at the time the contract is made as being the law of the contract, without being obliged to consider that their contract rights may be impaired or impinged upon, unless it can be shown that the public at large has acquired an interest, the protection of which renders necessary legislative enactments curtailing their contract rights.

The national bank holidays, the state bank holidays, and the changed conditions in the banking fomulas, wherein [fol. 37] homesteads can no longer borrow from banks with with anything like the same degree of freedom that they could before the depression, make it extremely difficult, if not impossible for homesteads to meet the demand of withdrawing stockholders.

This, coupled with the fact that a panic was in existence, and that, following the normal trend of a frightened people, paid-up stockholders in the respective homesteads engaged in a race to become first applicants in order to withdraw their funds therefrom, thus threatening to stagnate the operation of the homestead, legislation was probably advisable.

This being admitted, the defendants say that, inasmuch as legislation was advisable, at least in so far as economic

conditions are concerned, therefore, the matter is purely legislative, and, once the legislature has acted, the courts are powerless to change.

This is not an accurate statement of the law. They quote in thier brief an expression from Chief Justice O'Neill, which is both pithy and lucid and which does correctly state the law; but what counsel overlooks in the interpretation of the remarks of Mr. Chief Justice O'Niell is the fact that the Chief Justice refers to the reasonableness of the enactment. Of course, where the legislative enactment has reasonable application to the purpose sought to be remedied, and where it could reasonably be assumed that it had it in mind, it will be judicially assumed that it had it in mind, and the courts would then not interfere with the legislative enactment, whether in practice it actually worked out, as intended, this being a matter which should be corrected by the people and not by the courts.

However, the courts have always held that they reserve to themselves the right to determine whether, in any given case, the legislation could be reasonably construed to effectuate the purpose intended, and, if so, it was legislative. True, they have been very liberal in maintaining legislative enactments trenching upon contractual rights, in furtherance of the police power, where they have had any reasonable application to a cure of the evils sought to be eradicated; but I have yet to find a decision of the United States Supreme Court wherein they have permitted the legislature to "run loose", so to speak.

Let us see now just how far these respective sections trench upon the contractual rights of the plaintiffs. Temporarily we will skip Section 53.

Section 54 creates a stagger system of withdrawal, and permits the unregulated payment of applicafons up to $100.00. Inasmuch as this statute can be maintained, in my judgment, only on the theory of an emergent condition, I consider the purpose of Section 54 to be well within the power of the legislature as an enactment in the interest of the public welfare, as the extremely small amount involved can have no serious effect upon the ultimate payment of the withdrawing stockholders.

Section 54 provides an entirely new method of withdrawal. Instead of segregating a fixed proportion of the net receipts provided for in the Act of 1916, and also pay-

ing the withdrawing stockholders in the order of their applications for withdrawal, it provides that they shall be paid only twenty-five percentum up to $500.00 of the amount of their withdrawal claims, but then subordinates them for the remaining seventy-five percentum to all other applicants for withdrawal, placing them down to the bottom of the list, and then continuing to pay them twenty-five [fol. 38] percentum each time they come to the top of the list.

Thus it appears that the right of the stockholder to withdraw in the order of precedence as filed is completely taken away from him, and those who were subordinate to him under the Act of 1916 are paid out twenty-five percentum while his seventy-five percentum is still outstanding, and the funds of the corporation depleted to that extent.

There is a further grant of power to the board of directors, in their discretion, to pay the sum of $100.00 per month to any applicant on the withdrawal list, whether he be the first in order or the last, in direct violation of the order of precedence as stipulated in the Act of 1916, and, through the exercise of this discretion, the board of Directors would be authorized to pay a subordinate stockholder in full to the detriment of those standing above him in the order of application, a direct violation of the contract rights under the Act of 1916.

Section 55 again changes the status of a withdrawing member. In so far as his rights to profits after the notice of withdrawal is concerned, they remain the same as they did in the original act. There has been, therefore, no change regarding same, but his rights to withdraw are limited to and prescribed by the provisions of Section 53.

By the last paragraph of Section 55, the rights of the withdrawing stockholder is again restricted, by vesting in the board of directors a discretion to prescribe and grant the order of payment in the form of an allowance on unpaid withdrawals, but limits the power of the board of directors to a maximum of sixty per cent of the rate of dividend currently and actually paid in cash on the shares of continuing members.

Therefore, not only is the withdrawing stockholder deprived of his right, under the provisions of the Act of 1916, to have a reserve of one-half of the net income of the homestead allocated to the liquidation of his stock, but he is fur-

ther subordinated in the order of payment to the current stockholders, who shall receive dividends in preference to him, and he can only receive (and that within the discretion of the board) not more than sixty per cent of the amount paid to the current stockholders in dividends, a clear deprivation of his contractual rights.

While the right to declare dividends to current stockholders has always been a part of the law, nevertheless this right, under the Act of 1916, could only come into being after one-half of the net proceeds had been set aside.

Section 56 specifically provides that "the attribution to be made from receipts or other assets whatsoever for the payment of withdrawals shall at all times be under the sole control and administration of the board of directors, which, in its discretion, shall determine from time to time the amount or amounts to be used for the payment of such withdrawals; and the provisions of all laws formerly existing as to the setting aside of a definite segment of revenues for such purpose are now superseded by the present statute, with the same effect as if the same had been conventionally waived by all present shareholders and as part of of the subscriptions of all future subscribers to or holders of shares."

Whatever force and effect those provisions may have as to future shareholders, one can certainly not, by a legisla- [fol. 39] tive fiat, convert a contract right into a conventional waiver.

Defendants contend that the provisions of said section reading—

"The existence of a withdrawal list shall not prevent the making of new loans to new or continuing members, provided that, when there is a withdrawal list, not more than twenty-five per cent of the gross receipts shall be used for the making of loans. Notwithstanding the existence of a withdrawal list, the board, as long as there are debts due by the association, may use all or any part of the funds and current receipts for the payment of such debts, no matter at what time or under what circumstances incurred, as well as for the payment of all operating expenses and all other expenses incidental to the doing of business; and dividends, in such amounts and at such rates as may be considered proper by the board, may be declared by said board out of the earnings or undivided profits, for the

benefit of the continuing members, although there is a list of unpaid withdrawals."

do not alter the position of the plaintiffs, but rather add to their advantages, because they limit the amount, whenever there is a withdrawal list, to not more than twenty-five per cent of the gross receipts, whereas the right to make loans to new or continuing members, under the law as it stood before the Act of 1932, permitted the use of any part of the gross receipts for that purpose. This is not correct. Under the Act of 1916, the homestead could not lend any part of its gross receipts to new or continuing members, except after provision was made for the settling aside of one-half of the net receipts; the net receipts being the difference between the gross receipts and the current expenses, which, of course, did not include new loans.

This latter provision, if considered by itself, however, may be maintained as an emergency measure and during the continuance of the emergency, on the theory that it was limited in time, was prescribed for the benefit of the withdrawing stockholders as well as the continuing stockholders, and preserved and continued the assets for the whole. However, it must be read in conjunction with its other provisions and with the provisions of the other sections in question.

Section 53 is a general statement of what was intended by the subsequent sections in question, with the exception that it also provides that the withdrawing member shall bear his proportion of losses and charges, not to the time of his withdrawal, but to the time of final payment, which, if this Act is upheld, may be to the final liquidation of the corporation. In my humble judgment, there is nothing whatever in the provisions of these various sections that could reasonably tend to serve the general welfare either in its health, morals or economic conditions.

The effect of these provisions are solely to eliminate the contract rights of the withdrawing members and inure to the benefit of the continuing members, who may receive dividends which eventually will more than equal the entire [fol. 40] value of their shares, in which event they would still be the owners of their shares and the withdrawing stockholder would have nothing whatever, except what the pleasure of the board of directors may see fit to grant him

and not in excess of sixty per cent of the dividends which the continuing stockholders receive.

If these provisions are defensible under our constitutional guarantees, one might as well write out of the constitution these fundamental guarantees of government, and leave to the whims of the respective legislatures the destinies of all contractual relations.

For the foregoing reasons, the injunctions prayed for will be granted, upon each petitioner furnishing bond in a sum to be fixed in each judgment.

New Orleans, May 16, 1934.

(Signed) Walter L. Gleason, Judge.

[fols. 41-49] In Civil District Court for the Parish of Orleans, State of Louisiana

Division "D". Docket 5

No. 199,504

Camille V. Treigle

versus

Acme Homestead Association

Judgment

This matter having been submitted to the Court on the merits, the Court considering the law and the evidence to be in favor of the plaintiff and against defendant, for the reasons dictated, signed and filed herein:

It is ordered, adjudged and decreed that there be judgment in favor of plaintiff, Camille V. Treigle, and against defendant, Acme Homestead Association, decreeing that Sections 53, 54, 55 and 56 of Act 140 of 1932, in so far as they affect the notice of plaintiff as a withdrawing shareholder, under the provisions of Act 280 of 1916, are unconstitutional, null and void.

It is further ordered, adjudged and decreed that the right of petitioner to enforce the provisions of Section 7 of Act 280 of 1916 are reserved and continued in full force and effect, and the said defendant is restrained and enjoined from in any manner carrying into effect the provisions of.

Sections 53, 54, 55 and 56 of Act 140 of 1932, in so far as they may affect the right of the said plaintiff to be paid in the manner and form set out in Section 7 of Act 280 of 1916, and that this injunction issue upon plaintiff furnishing bond in the sum of $500.00.

Judgment rendered and read in open Court, May 16, 1934.

Judgment read and signed in open Court, May 25th, 1934.

(Signed) Walter L. Gleason, Judge.

[fol. 50] In Supreme Court of Louisiana

No. 33,065

Camille V. Treigle

v.

Acme Homestead Association

Appeal from the Civil District Court for the Parish of Orleans, Walter L. Gleason, Judge

Opinion and Judgment—March 4, 1935

O'Niell, C. J.:

The plaintiff being a withdrawing shareholder in the Acme Homestead Association, obtained a judgment against the association, declaring that Sections 53, 54, 55 and 56 of Act 140 of 1932 are unconstitutional, and enjoining the association from obeying these provisions of the statute. The homestead association has appealed from the decision. There are five other such suits, in each of which the plaintiff obtained a similar judgment and the defendant, homestead association, has appealed—namely, Samuel Sakolosky v. Equitable Homestead Association, No. 33,056; Camille Treigle v. Thrift Homestead Association, No. 33,071; Treigle Sash Factory, Inc., v. Conservative Homestead Association, No. 33,072; Treigle Sash Factory, Inc., v. Union Homestead Association, No. 33,074; and Joseph Mitchell v. Conservative Association, No. 33,075.

The only question is whether Sections 53, 54, 55 and 56 of the Act of 1932 are unconstitutional, as the judge of the Civil District Court has decided. The plaintiff pleads that the provisions of these sections, which materially change the method of paying claims of withdrawing share-[fol. 51] holders in building and loan associations, impair the obligations of contracts, and divest the withdrawing shareholders of their contract rights, and are therefore violative of Section 10 of Article I of the Constitution of the United States, and Section 15 of Article IV of the Constitution of Louisiana; and that these provisions of the statute deprive the withdrawing members of building and loan associations of their property without due process of law, and deny to them the equal protection of the laws, and are therefore violative of Section 1 of the Fourteenth Amendment of the Constitution of the United States, and Section 2 of Article I of the Constitution of Louisiana.

By Section 7 of Act 120 of 1902, as amended by Act 280 of 1916, which was in effect when the plaintiff became a shareholder in the Acme Building and Loan Association and when he applied for withdrawal, it was provided that a member of a building and loan association might withdraw the amount of his shares at any time by giving written notice of his intention so to do, and that he would be entitled then to receive the amount paid in by him, and such proportion of the profits as the charter and by-laws might prescribe, less all fines, charges, expenses and losses accrued or contingent at the time of notice of withdrawal, as the board of directors might determine. It was provided also that every building and loan association should keep a register of the notices of withdrawal, and should pay the amounts due to the withdrawing shareholders in the order in which their notices were filed. It was provided further that, whenever the proportion of receipts ordinarily made applicable to the demands of withdrawing members by resolution of the board of directors was not sufficient to pay all of such demands within sixty days from the date of notice, one-half of the receipts of the association thereafter should be applied to the liquidation of the claims of the withdrawing members until all deferred claims were paid.

[fol. 52] In State ex rel. Orlando v. Reliance Homestead Association, 174 La. 980, 142 So. 146, and in Harding Realty

Co. v. Blanchard, 179 La. 430, 154 So. 47, it was held that the term "receipts", in the provision of the statute requiring building and loan associations to apply one-half of their "receipts" to the payment of withdrawals if they were sixty days in arrears, did not mean "gross receipts", but meant "net receipts", or funds which might "reasonably be made available for the payment of such claims after paying the primary obligations and necessary expenses of the association".

In accordance with the provisions of Section 7 of the statute then in effect, and the pertinent provisions of the charter and by-laws of the association, the plaintiff gave notice of his intention to withdraw the amount of his shares; and more than sixty days had gone by after the notice was given, when the Act of 1932 came into effect. If the provisions of the Act of 1902, as amended by the Act of 1916, had not been superseded as they were by the Act of 1932, the plaintiff would have been entitled to receive the amount of his shares, if and when all previous applications on the withdrawal list would have been paid. And the plaintiff had a right of action to compel the association to apply one-half of its net receipts to the liquidation of the claims of the withdrawing members until all deferred claims were paid.

The Act of 1932 is a complete codification of the laws governing building and loan associations; and, by the terms of the repealing clause, the act supersedes the Act of 1902 and all amendments made previous to the adoption of the Act of 1932. The purport and effect of Sections 53, 54, 55 and 56 of the Act of 1932, under the rubric "Withdrawals", was to abolish the provisions of Section 7 of the Act of 1902, as amended by the Act of 1916, so far as those provisions required building and loan associations to pay the claims of withdrawing shareholders in full in the order of the filing of their notices, and to allocate one-half of the net receipts to the payment of such claims if they were [fol. 53] not all paid within sixty days from the date of the notice of withdrawal. Section 53 of the new act allows the board of directors of a building and loan association, before appropriating receipts to the liquidation of the claims of withdrawing members, to use such receipts and funds as are needed for operating expenses and for the

maintenance and improvement of repossessed property, and for the payment or renewal of obligations of the association, and the creation of cash reserves needed for declaring dividends. Section 54 of the new statute provides, as a substitute for the system of paying withdrawals in full in the order of seniority, a new method of distribution, by which each applicant for withdrawal is entitled to one-fourth of the amount of his shares when his name comes to the top of the withdrawal list, and his name is then sent to the foot of the list, to await his turn to receive another fourth of the amount of his shares, when his name comes again to the top of the list. All of that, however, is said to depend upon there being funds available to meet the demands of withdrawing members. If a fourth of a claim at the top of the withdrawal list is less than $500 the applicant is entitled to the minimum of $500, and if the whole claim does not exceed $500 it is paid in full, if there are funds available to pay the claim. Every new application takes its place at the foot of the list. The association is allowed, in its discretion, to pay in full and on demand the claim of any withdrawing member whose claim is less than $100, and may pay a sum not exceeding $100 per month to a withdrawing member in emergent circumstances. This section of the statute provides also that, whenever the amount of the withdrawals exceeds 60 per cent of the accumulated capital of the association, the State Bank Commissioner, who is ex officio Supervisor of Homestead and Building and Loan Associations, may, if he believes that the condition of the association justifies such action, direct that the payment of withdrawals in the order stated shall be discontinued, and that they shall be paid thereafter on a pro rata basis—[fol. 54] the distribution to be made to all members whose names were on the withdrawal list on a date not less than ten days previous to the issuing of the distribution checks. This section of the statute provides, finally, that installment shares which have a fixed maturity, and on account of which no installment has been delinquent longer than a year during a period exceeding seven years, shall, at their maturity, be preferred over all shares on the withdrawal list, and that no other shares on the withdrawal list shall be cashed until such installment shares have been paid. Section 55 of the statute provides that a member who

has given notice of his intention to withdraw shall remain a shareholder, and be classified as a withdrawing member; that, except as stated in Section 53, no liabilities or losses of the association of a date subsequent to the filing of his notice of withdrawal shall be chargeable or assessable against his shares; and that, from the date of his application to withdraw, and as long as his application for withdrawal has not been withdrawn, he shall not be entitled, except as thereinafter set forth, to any benefit on his shares beyond the collection of the face value thereof, nor to an allowance or dividend in the distribution of the accumulated or current profits or earnings. The expression "as long as his application for withdrawal has not been withdrawn" means that a withdrawing shareholder may at any time withdraw his application for withdrawal, and thenceforth have the advantages of a non-withdrawing member of the association. This section of the statute purports to forbid a withdrawing shareholder to sue the association for any cause except to enforce the provisions of the statute or to prevent a violation thereof; which means nothing more than that the provisions of the statute shall control both the association and the withdrawing shareholder; and, in furtherance of the right of action of a withdrawing shareholder to enforce the provisions of the statute or to prevent a violation thereof, it is provided that, for such purpose only, [fol. 55] a withdrawing shareholder shall have the right to inspect the books and records of the association, under such reasonable rules as the association may prescribe. This section gives the board of directors the right, in its discretion, to pay an allowance on applications for withdrawal, under such terms and conditions as to amount of individual withdrawals or period of time on the withdrawal list as the board may prescribe, provided that the rate of such allowance to withdrawing members shall not exceed 60 per cent of the rate of dividend currently paid to continuing mmbers, and provided that such allowance to withdrawing members may be discontinued at any time without affecting the right of the board to continue to pay dividends on the shares of the continuing members. Section 56 of the statute declares that the matter of determining the proportion of receipts which shall be attributed to the payment of withdrawals shall be entirely under the

control of the board of directors; that the existence of a withdrawal list shall not prevent the making of new loans to continuing members or to new members, to an extent not exceding one-fourth of the gross receipts, or prevent the use of the funds or receipts of the association for the payment of its debts, no matter when or under what circumstances they were insured, or for expenses incident to the carrying on of the business. And this section of the statute declares, finally, that dividends, at such rate as the board may deem proper, may be paid to continuing members of the association, out of its earnings or undivided profits, notwithstanding a list of unpaid withdrawals.

The Act of 1932, therefore, did change materially the method formerly established for the payment of the claims of withdrawing members of building and loan associations, and did, in a general way, perhaps prolong the time in which the claims then on the withdrawal lists of such associations would be paid in full. But, dealing with the withdrawing members of all building and loan associations throughout the state, as a class, it can not be said with [fol. 56] certainty that the change which was wrought by the act of 1932 destroyed—or even impaired—the assurance that the claims of these members would be paid eventually in full. Whether the statute impaired the prospect of any individual member, in that respect, depended largely upon his relative position on the withdrawal list, and more largely upon the financial condition of the association itself, and upon its ability to continue in business long enough to pay the claim. The purpose of the act of 1932 was not to favor any member or class of members to the prejudice of another member or class of members of a building and loan association, but to benefit indiscriminately all members of such associations, and the general public, by saving these institutions from dissolution, which they were menaced with, by the financial depression. During normal times, when the act of 1916 was adopted, and until the financial panic set in, building and loan associations received substantial sums on their stock subscriptions and made prompt collections of interest and principal on their loans, and were able to pay withdrawals promptly, if not on demand. But when the depression came on, with its resultant condition of unemployment, and the consequent need of money for household expenses, there were

no funds available for investment in the shares of building and loan associations, and very little for the payment of debts due to them, or for the payment of interest on the loans they had made. The demands for withdrawals became overwhelming, and whenever a large claim came to the top of the list it blocked indefinitely the small claims of those who were more in need of their money. The result was, by the time the act of 1932 was drafted and submitted to the Legislature by the State Bank Commissioner, that the business of building and loan associations was stagnant—not only in Louisiana but throughout the whole United States. For example, the Acme Homestead Association, defendant in this suit, had, when the act of 1932 was adopted, 3,902 members, $2,267,000 of outstanding mortgage loans, $3,128,895 of assets, and a withdrawal list of 540 shareholders, whose claims amounted to $462,217—on which no payment had been made for two years and [fol. 57] two months when the new statute came into effect, and on which no payment was made afterwards, up to the time the defendant answered this suit. The Equitable Homestead Association, defendant in another of these suits, had 2,025 members, $1,386,000 of outstanding mortgage loans, $1,803,298 of assets, and a withdrawal list of 276 shareholders whose claims amounted to $138,540—on which no payment had been made for a year and nine months when the act of 1932 came into effect, and on which no payment was made afterwards, up to the time the association answered Samuel Sokolosky's suit. The Thrift Homestead Association, defendant in another of these suits, had 1,962 members, $1,135,900 of outstanding mortgage loans, $1,597,698 of assets, and a withdrawal list of 249 shareholders, whose claims amounted to $145,025—on which no payment had been made for more than a year and nine months when the act of 1932 came into effect, and on which no payment was made afterwards, up to the time the association answered Camille V. Treigle's suit—except emergency loans, amounting to only $900. The Conservative Homestead Association, defendant in two of these suits, had 6,742 members, $4,720,200 of outstanding mortgage loans, $6,513,684 of assets, and a withdrawal list of 1,078 shareholders, whose claims amounted to $711,632—on which no payment had been made for two years and three months when the act of 1932 came into effect, and

on which no payment was made afterwards, up to the time the association answered these suits. The Union Homestead Association, defendant in another of these suits, seems to have been in better condition, having 6,966 members, $5,135,000 of outstanding mortgage loans, $5,320,146 of assets, and a withdrawal list of 489 shareholders, whose claims amounted to $351,033—on which payments had been made up to a date five months before the act of 1932 came into effect.

These conditions which we have described, which are disclosed by the record, and which are mainly matters of common knowledge, show that the plaintiff's contention, that the act of 1932 interfered with or delayed his receiving in cash the amount of his shares of stock is merely an opinion, [fol. 58] and is problematical, because it is founded upon the assurance, or postulate, that the business of the building and loan association would have withstood the prevailing financial difficulties until half of the net receipts of the business would have been sufficient to pay off all of the withdrawing shareholders who were ahead of the plaintiff on the withdrawal list.

There is no doubt, however, that the Act of 1932 did prevent some of the many withdrawing shareholders in building and loan associations throughout the state from collecting the amount of their shares in full at the time when payment would have been made if this statute had not been adopted. We shall rest this decision, therefore, upon the proposition that the Act of 1932 did deprive the plaintiff of an advantage, and of a valuable right, which he enjoyed by virtue of having his name on the withdrawal list more than sixty days before the statute was adopted. The question, therefore, is whether the Legislature could deprive the plaintiff of the advantage and right which he enjoyed, without violating the constitutional limitation forbidding the passing of a law impairing the obligation of contracts, or divesting vested rights.

The objects and purposes for which building and loan associations are created, and the business carried on by them, are matters of "public utility and advantage". It was so declared by the Legislature itself by Act 161 of 1888, and was so recognized by this court in Mayre v. Pierson, 171 La. 1077, 135 So. 163, and in First National Bank v. Louisiana Tax Commission, 175 La. 119, 143 So. 23, and

in State ex rel. Cotonio v. Italo-American Homestead Association, 177 La. 766, 149 So. 449. That means that all business transactions which individuals have with building and loan associations are, like transactions with savings banks, insurance companies, and the like, subject to regulation and control by the Legislature, in the exercise of the [fol. 59] police power. Individuals who acquire stock in building and loan associations know in advance, or are charged with knowledge, that their contract rights which result from their membership in such associations are conferred and controlled by statute and are therefore subject to impairment at any time by an act of the Legislature. The only limitation upon the authority of the Legislature, in that respect, is that the act must be intended for the public welfare, must have reasonable relation to the purpose to be accomplished, and be not arbitrary or discriminating. The courts have no authority to look beyond these requirements, or into the question of expediency of the acts of the Legislature. State ex rel. Civello v. City of New Orleans, 154 La. 271, 97 So. 440; Harding Realty Co. v. Blanchard, 179 La. 430, 154 So. 47; McCray v. United States, 195 U. S. 27, 49 L. Ed. 78; McLean v. State of Arkansas, 211 U. S. 547, 53 L. Ed. 319; Chicago, Burlington & Quincy Railroad Co. v. McGuire, 219 U. S. 549, 55 L. Ed. 328; Purity Extract & Tonic Co. v. Lynch, 226 U. S. 192, 57 L. Ed. 184; Price v. Illinois, 238 U. S. 452, 59 L. Ed. 1405; Rast v. Van Deman & Lewis Co., 240 U. S. 357, 60 L. Ed. 687; Merrick v. N. W. Halsey & Co., 242 U. S. 568, 61 L. Ed. 498; Adams v. Tanner, 244 U. S. 590, 61 L. Ed. 1336; Green v. Frazier, 253 U. S. 239, 64 L. Ed. 881; Lower Vein Coal Co. v. Industrial Board of Indiana, 255 U. S. 144, 65 L. Ed. 555; Smith v. Kansas City Title & Trust Co., 255 U. S. 180, 65 L. Ed. 577; Block v. Hirsh, 256 U. S. 135, 65 L. Ed. 865; Stafford v. Wallace, 258 U. S. 495, 66 L. Ed. 735; Twin City Pipe Line Co. v. Harding Glass Co., 283 U. S. 356; State of Arizona v. State of California, 283 U. S. 423, 75 L. Ed. 1154; Sproles v. Binford, Sheriff, 286 U. S. 374, 76 L. Ed. 1167; Wabash Valley Electric Co. v. Young, 287 U. S. 488, 77 L. Ed. 447; Williams v. Mayor and City Council of Baltimore, 289 U. S. 36, 77 L. Ed. 1015; Gant v. Oklahoma City, 289 U. S. 98, 77 L. Ed. 1058.

From the fact—of which there is no dispute—that the business of building and loan associations is of a public

character, or matter "of public utility and advantage" and [fol. 60] therefore subject to regulation and control by the Legislature in the exercise of the police power, it must follow that the authority of the Legislature in that respect cannot be frustrated of forestalled by the making of private contracts with building and loan associations. The reason is that the constitutional prohibition against legislation "impairing the obligation of contracts" does not protect contracts which "deal with a subject-matter which lies within the control of the Congress" or the Legislature. It was so said by Chief Justice Hughes in the Gold Clause cases, Norman v. Baltimore & Ohio Railroad Co. and United States v. Bankers' Trust Co., 293 U. S. —, 55 Sup. Ct. 407, 79 L. Ed. 417; from which decision we excerpt these appropriate paragraphs—viz:

"We have not attempted to summarize all of the provisions of these measures. We are not concerned with their wisdom. The question before the Court is one of power, not of policy."

* * * * * * *

"The conclusion was [in Knox v. Lee, 12 Wall. 457, 20 L. Ed. 287] that contracts must be understood as having been made in reference to the possible exercise of the rightful authority of the government, and that no obligation of a contract 'can extend to the defeat' of that authority."

* * * * * * *

"Contracts, however express, cannot fetter the constitutional authority of the Congress [or the Legislature]. Contracts may create rights of property, but, when contracts deal with a subject-matter which lies within the control of the Congress [or the Legislature], they have a congenital infirmity. Parties cannot remove their transactions from the reach of dominant constitutional power by making contracts about them. See Hudson County Water Co. v. McCarter, 209 U. S. 349, 357, 28 S. Ct. 529, 52 L. Ed. 828, 14 Ann. Cas. 560."

* * * * * * *

"Applying that principle, the Court held that a contract, valid when made (in 1871) for the giving of a free pass by

[fol. 61] an interstate carrier, in consideration of a release of a claim for damages, could not be enforced after the Congress had passed the Act of June 29, 1906, 34 Stat. 584. Louisville & Nashville Railroad Company v. Mottley, 219 U. S. 467, 31 S. Ct. 265, 270, 55 L. Ed. 297, 34 L. R. A. (N. S.) 671. Quoting the statement of the general principle in the legal tender cases, the Court decided that the agreement must necessarily be regarded as having been made subject to the possibility that, at some future time, the Congress 'might so exert its whole constitutional power in regulating interstate commerce as to render that agreement unenforceable, or to impair its value'. The Court considered it inconcievable that the exercise of such power 'may be hampered or restricted to any extent by contracts previously made between individuals or corporations'. 'The framers of the Constitution never intended any such state of things to exist.' Id. page 482 of 219 U. S., 31 S. Ct. 265, 270."

* * * * * * *

"The principle is not limited to the incidental effect of the exercise by the Congress [or the Legislature] of its constitutional authority. There is no constitutional ground for denying to the Congress [or the Legislature] the power expressly to prohibit and invalidate contracts although previously made, and valid when made, when they interfere with the carrying out of the policy it is free to adopt."

* * * * * * *

"Whether they [the contracts in question] may be deemed to be such an interference depends upon an appraisement of economic conditions and upon determinations of questions of fact. With respect to those conditions and determinations, the Congress [or the Legislature] is entitled to its own judgment. We may inquire whether its action is arbitrary or capricious, that is, whether it has reasonable relation to a legitimate end. If it is an appropriate means to such an end, the decision of the Congress [or the Legislature] as to the degree of the necessity for the adoption of that means is final."

* * * * * * *

[fol. 62] "We are not concerned with consequences, in the sense that consequences, however serious, may excuse an

invasion of constitutional right. We are concerned with the constitutional power of the Congress [or the Legislature] * * * and its attempted frustration."

Although the facts of the present case are not like the facts in the Gold Clause cases, the principle which controlled the decision in the Gold Clause cases is appropriate here—where the contract with the building and loan association dealt with a subject-matter which was within the control of the Legislature. The same principle was applied in the Legal Tender cases, Knox v. Lee, and Parker v. Davis, 12 Wall. 457, 20 L. Ed. 287; which were cited by the Chief Justice in the Gold Clause cases. And the same principle was held to destroy or impair the contracts which were set up in the following cases: Manigault v. Springs, 199 U. S. 473, 26 S. Ct. 127, 50 L. Ed. 274; Polk v. Mutual Reserve Fund Life Association, 207 U. S. 310, 52 L. Ed. 222; Hudson County Water Co. v. McCarter, Attorney General, 209 U. S. 349, 28 S. Ct. 529, 52 L. Ed. 828, 14 Ann. Cas. 560, cited by the Chief Justice in the Gold Clause cases; Louisville & Nashville v. Mottley and wife, 219 U. S. 467, 31 S. Ct. 265, 55 L. Ed. 297, 34 L. R. A. (N. S.) 671, also cited by the Chief Justice in the Gold Clause cases; Sproles v. Binford, Sheriff, 286 U. S. 374, 52 S. Ct. 581, 76 L. Ed. 1167, also cited by the Chief Justice in the Gold Clause cases; Atlantic Coast Line Railroad Co. v. City of Goldsboro, 232 U. S. 558, 34 S. Ct. 364, 58 L. Ed. 726; Union Dry Goods Co. v. Georgia Public Service Corporation, 248 U. S. 372, 39 S. Ct. 117, 63 L. Ed. 309, 9 A. L. R. 1420, also cited by the Chief Justice in the Gold Clause cases; Dillingham v. McLaughlin, 264 U. S. 370, 68 L. Ed. 742; and Stephenson v. Binford, 287 U. S. 151, 53 S. Ct. 181, 77 L. Ed. 288, 87 A. L. R. 721, also cited by the Chief Justice in the Gold Clause cases.

In Union Dry Goods Co. v. Georgia Public Service Corporation, supra, the court restated the doctrine, from the [fol. 63] earlier cases, thus:

"That private contract rights must yield to the public welfare, where the latter is appropriately declared and defined and the two conflict, has been often decided by this court. Thus, in Manigault v. Springs, 199 U. S. 473, 480, 50 L. Ed. 274, 278, 26 Sup. Ct. Rep. 127, it was declared that:

" 'It is the settled law of this court that the interdiction of statutes impairing the obligation of contracts does not prevent the state from [properly] exercising such powers * * * for the general good of the public though contracts previously entered into between individuals may thereby be affected.'

"This on authority of many cases which are cited.

"In Hudson County Water Co. v. McCarter, 209 U. S. 349, 357, 52 L. Ed. 828, 832, 28 Sup. Ct. Rep. 529, 14 Ann. Cas. 560, it is said that:

" 'One whose rights, such as they are, are subject to state restriction, cannot remove them from the power of the state by making a contract about them. The contract will carry with it the infirmity of the subject-matter.'

"In Louisville & N. R. Co. v. Mottley, 219 U. S. 467, 482, 55 L. Ed. 297, 303, 34 L. R. A. (N. S.) 671, 31 Sup. Ct. Rep. 265, this is quoted with approval from the Legal Tender Cases, 12 Wall. 457, 550, 551, 20 L. Ed. 287, 311, 312, viz:

" 'Contracts must be understood as made in reference to the possible exercise of the rightful authority of the government, and no obligation of a contract can extend to the defeat of legitimate government authority.'

"In Chicago, B. & Q. R. Co. v. McGuire, 219 U. S. 567, 55 L. Ed. 338, 31 Sup. Ct. Rep. 259, it is said:

" 'There is no absolute freedom to do as one wills or [fol. 64] to contract as one chooses. The guaranty of liberty does not withdraw from legislative supervision that wide department of activity which consists of the making of contracts, or deny to government the power to provide restrictive safeguards. Liberty implies the absence of arbitrary restraint, not immunity from reasonable regulations and prohibitions imposed in the interest of the community.'

"In Atlantic Coast Line R. Co. v. Goldsboro, 232 U. S. 548, 558, 58 L. Ed. 721, 726, 34 Sup. Ct. Rep. 364, the court said:

" 'It is settled that neither the 'contract' clause nor the 'due process' clause has the effect of overriding the power

of the state to establish all regulations that are reasonably necessary to secure the health, safety, good order, comfort, or general welfare of the community; that this power can neither be abdicated nor bargained away, and is inalienable even by express grant; and that all contract and property rights are held subject to its fair exercise.'

"And in Rail & River Coal Co. v. Ohio Industrial Commission, 236 U. S. 338, 349, 59 L. Ed. 607, 615, 35 Sup. Ct. Rep. 359, the state of the law upon the subject is thus aptly described:

" 'This court has so often affirmed the right of the state in the exercise of its police power to place reasonable restraints, like that here involved, upon the freedom of contract, that we need only refer to some of the cases in passing.'

"These decisions, a few from many to like effect, should suffice to satisfy the most skeptical or belated investigator that the right of private contract must yield to the exigencies of the public welfare when determined in an appropriate manner by the authority of the state."

In Dillingham v. McLaughlin, supra, the court cited many of the decisions which we have cited, in support of this conclusion:

[fol. 65] "The operation of reasonable laws for the protection of the public cannot be headed off by making contracts reaching into the future."

It might be argued—and we presume it was argued in the many cases which we have cited—that, if the contract clause in the Constitution does not protect contracts dealing with a subject-matter which the Congress or the Legislature has the authority to control or regulate, the contract clause is an unnecessary provision in the Constitution, because legislation on a subject-matter which the Congress or the Legislature has not the authority to control or regulate would be invalid, regardless of the contract clause. That argument, however, is considered as having been answered and forever settled by the many decisions, which we have cited, of the highest court in the land. The principle does not seem to be affected by the fact that, while the Congress cannot legislate on any subject-matter

not permitted by the Constitution, the Legislature may legislate on any subject-matter not forbidden by the Constitution. In Louisiana every individual who has dealt with a building and loan association during the last forty-seven years was notified by Act 161 of 1888 that he was dealing with a corporation of "public utility and advantage."

We do not find anything unreasonable, arbitrary, or discriminating in Sections 53, 54, 55 and 56 of Act 140 of 1932, or in any one of these sections. That their provisions are appropriate to the object, of saving the building and loan associations from liquidation and of reviving their business, and of thereby benefiting all of the shareholders as a class and the public generally, is obvious, and is vouchsafed by the fact that the statute was drafted and recommended by the State Bank Commissioner, who, according to Section 18 of Article VI of the Constitution and Section 64 of the Act of 1932, is ex officio Supervisor of Homestead [fol. 66] and Building and Loan Associations.

Our attention is called to similar statutes which have been enacted in many other states during the last few years of the financial depression; and we are not aware of any instance where provisions such as are questioned in this case have been declared unconstitutional by a court of last resort. In Fornataro and Romano v. Atlantic Coast Building & Loan Association, 10 N. J. Misc. 1248, 163 Atl. 240, the plaintiffs, being withdrawing shareholders in the association, contended that a statute of 1932 (chap. 102, P. L. 1932, p. 175), similar to the Louisiana statute of 1932, could not deprive them of their rights acquired under a previous statute (chap. 65, P. L. 1925, #52, p. 212, Comp. St. Supp. #27-R52) without violating the obligations of the contract between them and the association. The Supreme Court of New Jersey ruled against the plaintiffs' contention, quoting literally, and basing its decision upon, the paragraph which was quoted in Union Dry Goods Co. v. Georgia Public Service Corporation, from Manigault v. Spring, supra.

The plaintiff cites Sundheim's work entitled Law of Building and Loan Associations, Third Edition, Sec. 159, PP. 161, 162,—viz:

"The courts in the United States generally hold that the right to withdraw, after full compliance with all the conditions of the statute or by-laws, is a vested contractual

right, and any change which impairs the substance of the right after it has become vested by membership is invalid as to existing members, but slight changes affecting the remedy only may be made. Thus, where the right to withdraw under the original by-laws was unconditional, an amendment providing that only one-half of the receipts should be applicable to withdrawals is not binding on existing members. * * * After the withdrawal has been perfected, by the maturity of the notice, a statute or by-[fol. 67] law which changes the order of payment to his disadvantage violates the member's vested right and is therefore unconstitutional and void as to him."

The cases which the author cites in support of these statements are Holyoke Building & Loan Association v. Lewis, 1 Colo. App. 127, 27 Pac. 872; Sinteff v. People's Building, Loan & Savings Association, 37 App. Div. 340, 57 N. Y. Supp. 611, affirmed in 166 N. Y. 630, 60 N. E. 1120; Fidelity Building & Loan Association v. Thompson (Tex. Com. App.), 51 S. W. (2d) 578, denying a rehearing (Tex. Com. App.), 45 S. W. (2d) 167, which reversed (Tex. Civ. App.), 25 S. W. (2d) 247; Kelly v. Republic Building & Loan Association (Tex. Civ. App.), 34 S. W. (2d) 924; and Savage v. People's Building & Loan Association, 45 W. Va. 275, 31 S. E. 991. The ruling in the Holyoke Case is not appropriate here because in that case the right of the withdrawing shareholder, Lewis, was not impaired by statute but was attempted to be taken away from him by a change in the pertinent articles of the by-laws, by the directors of the association—viz: "The association declined to return the money, insisting that since the payment by Lewis the directors of the association had repealed the article of the by-laws referred to, and therefore defendant in error [Lewis] was not entitled to withdraw the money from the association". Sinteff's Case, also, was merely an attempt on the part of the board of directors of the association to breach the contract. The only question in the case was whether the condition printed on the back of Sintell's stock certificate, "the articles of association, by-laws, terms and conditions, together with the application, are to be construed together as the contract between the shareholder and the association", included and made applicable all subsequent amendments of the articles and by-laws, and, specifically an amendment which was made after

the certificate was issued and which changed the method of paying withdrawals, to the prejudice of the shareholder. The court decided that the conditions printed on the stock [fol. 68] certificate did not refer to subsequent amendments of the by-laws, detrimental to the rights of the shareholder; and, in so deciding, the court reconciled its decision with the ruling in Engelhardt v. B. & L. Association, 148 N. Y. 281, 42 N. E. 710. The case of Fidelity B. & L. Association v. Thompson was a contest between the borrowing and the nonborrowing members of an insolvent association; and the statute which was under consideration was held to be invalid in attempting to discriminate against the nonborrowing members by imposing upon them all of the losses of the association. The decision is not at all relevant to the issue in the present case. The ruling which was made in Kelly's Case does seem to be in point; but, with great respect for the judgment of the Court of Civil Appeals of Texas, we observe that the Supreme Court of Texas did not have occasion to consider Kelly's Case. The ruling in Savage v. People's B. & L. Association, like the ruling in the Holyoke Case and in the Sinteff Case, was merely that the board of directors of the association could not breach the contract with a shareholder by amending the by-laws of the association.

The plaintiff in this case cites also the decision rendered by the Court of Appeal of Louisiana, for the Second Circuit, in Harris v. Monroe Building & Loan Association, 154 So. 503. That case, however, is now pending in this court on a writ of review, which was issued today.

The plaintiff quotes and relies upon an expression in the opinion rendered in State ex rel. Orlando v. Reliance Homestead Association, supra, viz: "By giving to shareholders the right to withdraw their shares and by prescribing the method by which funds are to be made available for the payment of their claims when their applications to withdraw are filed, the lawmaker gave to them a privilege which cannot be denied them". The court meant that the privilege could not be denied them (the withdrawing shareholders) by the court—not that it could not be denied them [fol. 69] by an act of the Legislature. The case was decided before the act of 1932 came into effect, and the only question in the case, as stated in the opinion, was whether the association was required by Section 7 of act of 1902, as amended by the act of 1916, to apply one-half of the *gross*

receipts, or only one-half of the *net* receipts, to the payment of withdrawals when they were in arrears sixty days. Hence the expression in the opinion, which the plaintiff here relies upon, is not at all appropriate to this case.

Counsel for the plaintiff argue that the principle which we have announced as controlling the decision of this case is not applicable because the act of 1932 vests almost unlimited authority and discretion in the board of directors, in the matter of determining what proportion of the receipts of an association shall be applied to the payment of applications for withdrawal, and what proportion shall be applied to the payment of dividends to continuing members. It is conceded: "Such power might have been granted to a court, to a banking department, to a public board or commission". But it is contended that such power cannot be granted legally to a board of directors, composed of continuing members of an association, and having, therefore, a personal interest in conflict with that of the withdrawing members, in the matter of appropriating the receipts of the association to the payment of dividends, rather than to the payment of applications for withdrawal. The Legislature, in its judgment, evidently, concluded that there was no great danger of an abuse of the authority which was given to the boards of directors of building and loan associations. The interests of all of the shareholders, including, of course, the withdrawing shareholders, are protected from abuse of authority on the part of the board of directors, by the fact that the statute has placed all building and loan associations under the supervision and control of the state bank commissioner. We called attention to that in State ex rel. Italo-American Homestead Asso- [fol. 70] ciation, supra. Section 64 of the statute so provides, and requires every building and loan association to make semi-annual reports to the commissioner; and section 65 provides: "Twice every year or *a*ftener, if he deems it necessary, the Commissioner shall make an examination into the affairs of each such association". And Section 67 imposes upon the commissioner the duty of seeing that the officers and directors of building and loan associations perform their duties faithfully; and the same section of the statute empowers the commissioner to enforce his orders in that respect, under penalty of liquidation of the association. Aside from these considerations, a withdrawing member

of a building and loan association, as we have pointed out, may withdraw his application at any time, and have all of the advantages enjoyed by the other continuing members. Hence there is no unfair discrimination, or denial of the equal protection of the laws in that respect.

Our conclusion is that the plaintiff in this case has no cause or right of action.

The judgment appealed from is annulled and reversed, and the demand of the plaintiff is rejected and his suit dismissed at his cost.

Odom, J., dissents.

[fol. 71] IN SUPREME COURT OF LOUISIANA

No. 33065

[Title omitted]

PETITION FOR REHEARING

To the Honorable the Supreme Court of the State of Louisiana:

The petition of Camille V. Treigle, plaintiff and appellee, respectfully represents:

I

That the opinion and decree rendered by this Court in this cause on the fourth day of March, 1935, is erroneous and contrary to the law and the evidence, and is prejudicial to petitioner, and that a rehearing should be granted in this matter, for the following reasons, to-wit:

1. That this Court is in error in holding Sections 53, 54, 55 and 56 of Act 140 of 1932 of Louisiana, and each of said sections, to be constitutional.

2. That this Court erred in not holding Sections 53, 54, 55 and 56 of Act 140 of 1932 of Louisiana, and each of said sections, to be unconstitutional, null and void, as violative of Section 10 of Article 1 of the Constitution of the United States.

3. That this Court erred in not holding Sections 53, 54, 55 and 56 of Act 140 of 1932 of Louisiana, and each of said

sections, to be unconstitutional, null and void, as violative of Section 1 of the Fourteenth Amendment of the Constitution of the United States.

4. That this Court erred in holding that Section 10 of Article I of the Constitution of the United States "does not protect contracts which deal with a subject matter within the control of Congress or the Legislature".

5. That this Court erred in holding that there is nothing [fol. 72] "unreasonable, arbitrary or discriminating in Sections 53, 54, 55 and 56 of Act 140 of 1932, or in any one of these sections".

6. That this Court erred in not holding that a shareholder in a building and loan association, who had given notice of withdrawal more than 60 days prior to the effective date of Act 140 of 1932, has a vested right of property to be paid in full upon reaching the top of the withdrawal list, and to compel the allocation to withdrawals of 50% of net receipts, which vested rights of property is protected by the Fourteenth Amendment to the Constitution of the United States.

7. That this Court erred in not holding Sections 53, 54, 55 and 56 of Act 140 of 1932, and each of said sections, to be unreasonable invasions of the right of property and unreasonable impairments of contract obligations under the guise of the police power, and, therefore, unconstitutional.

8. That this Court erred in not holding Sections 53 and 56 to be unconstitutional as violative of the Fourteenth Amendment to the Constitution of the United States in that these sections delegate to the several boards of directors of building and loan associations the unregulated discretion to withhold payment of petitioner's withdrawal shares, while themselves continuing to enjoy the use thereof.

9. That this Court erred in holding that the plaintiff in this cause has no cause or right of action.

10. That this Court erred in reversing and annulling the judgment of the District Court appealed from, and in rejecting plaintiff's demand and dismissing his suit.

11. That this Court erred in not affirming the judgment of the District Court appealed from.

II

Petitioner shows further that he will file in connection with this petition, briefs in support thereof: and that for the reasons herein above set forth and to be amplified in [fol. 73] the briefs, a rehearing should be granted and that finally the Court affirm the judgment appealed from.

The premises considered, petitioner prays that, after due consideration, a rehearing be granted in this case, and that finally the Court affirm the judgment of the District Court appealed from, decreeing Sections 53, 54, 55 and 56 of Act 140 of 1932 of Louisiana to be unconstitutional as violative of Section 10 of Article I and Section 1 of Amendment XIV of the Constitution of the United States.

(Signed) Alex. W. Swords, (Signed) A. Giffen Levy, (Signed) Hugh M. Wilkinson, Attorneys for Petitioner, Camille V. Treigle. (Signed) Alex. W. Swords, (Signed) A. Giffen Levy, of Counsel.

Duly sworn to by C. V. Treigle. Jurat omitted in printing.

[fols. 74 & 75] IN SUPREME COURT OF LOUISIANA

No. 33065

CAMILLE V. TREIGLE

vs.

ACME HOMESTEAD ASSOCIATION

ORDER DENYING REHEARING—April 1, 1935

BY THE COURT:

It is ordered that the rehearing applied for in this case be refused.

[fol. 76] IN SUPREME COURT OF LOUISIANA

No. 33065

[Title omitted]

PETITION FOR APPEAL TO SUPREME COURT OF UNITED STATES—Filed June 21, 1935

To the Chief Justice of the Supreme Court of the State of Louisiana:

The petition of Camille V. Treigle, respectfully shows:

1. Petitioner is the plaintiff in the above numbered and entitled cause.

2. On October 21, 1932, petitioner filed a suit in the Civil District Court for the Parish (County) of Orleans, State of Louisiana, in which petitioner alleged that as an owner of $5,000.00 of the full paid capital stock of Acme Homestead Association, a building and loan Corporation, organized under the laws of the State of Louisiana, he had in accordance with its charter and by-laws and the law of the State of Louisiana then in force, notified said Homestead Association of his intention to withdraw his said stock investment, which notification of intention to withdraw fixed, determined and vested a valuable property right in petitioner, and made executory a contractual obligation between said Acme Homestead Association and petitioner obliging said Association to repay to petitioner his said stock investment as provided in said charter and by-laws and the laws of Louisiana then in force.

In said suit petitioner alleged that more than sixty days subsequent to his said notice of withdrawal Act No. 140 of the Legislative Acts of Louisiana for the year 1932 was adopted and became law, approved July 12, 1932 and known as "Louisiana Homestead and Building and Loan Statute"; and that Sections 53, 54, 55 and 56 of said Act 140 of 1932 impair the obligations of petitioner's contract with said Homestead Association and deprive petitioner of his [fol. 77] said vested property rights without due process, and are, therefore, repugnant to Article I, Section 10, and Amendment XIV, Section 1, of the Constitution of the United States.

Petitioner in said suit prayed for judgment declaring said Sections 53, 54, 55 and 56 of said Act 140 of 1932 of Louisiana to be unconstitutional, as repugnant to said provisions of the Constitution of the United States, and that the Acme Homestead Association be enjoined from proceeding under the same.

In said suit there was judgment of the District Court in petitioner's favor, decreeing said sections of said Act to be unconstitutional and enjoining the Homestead as prayed.

3. An appeal from said judgment was taken by said Acme Homestead Association to the Supreme Court of the State of Louisiana; and on March 4, 1935, the Supreme Court of the State of Louisiana reversed said judgment and decreed said Sections 53, 54, 55 and 56 of said Act 140 of 1932 constitutional and valid and not repugnant to the Constitution of the United States, and dismissed petitioner's suit.

Thereafter petitioner applied for a rehearing which was denied by said Supreme Court of Louisiana on April 1, 1935.

4. Said Supreme Court of the State of Louisiana is the highest court of the State of Louisiana in which a decision in the suit could be had.

5. In said cause there is drawn in question the validity of a statute of the State of Louisiana on the ground of its being repugnant to the Constitution of the United States, and the decision is in favor of its validity; in that in said suit petitioner alleges that Sections 53, 54, 55 and 56 of Act No. 140 of 1932 of the Legislative Acts of the State of Louisiana known as "Louisiana Homestead and Building and Loan Statute" are repugnant to Article I, Section 10, and Amendment XIV, Section 1, of the Constitution of the United States, and prays that said sections of said act be decreed unconstitutional, and that the defendant Building and Loan Association be enjoined from proceeding thereunder, in that said sections of said act impair the obligations of the contract between petitioner and the defendant Acme Homestead Association, and deprive petitioner of his vested property rights without due process of law.

Wherefore, petitioner prays for the allowance of an appeal herein from said Supreme Court of the State of Louisi-

ana, to the Supreme Court of the United States, in order that the said decision of the Supreme Court of the State [fol. 78] of Louisiana may be examined and reviewed, and also prays that a transcript of the record, proceedings and papers in this case, duly authenticated by the Clerk of the Supreme Court of the State of Louisiana, may be sent to the Supreme Court of the United States, as provided by law.

Petitioner prays an order touching the security to be required of him, and the approval of such bond as is required in this case.

The errors upon which your petitioner claims to be entitled to an appeal are those above indicated, and more fully set out in the assignment of errors filed herewith.

(Sgd.) Alex W. Swords, (Sgd.) A. Giffen Levy, Attorneys for Camille V. Treigle, Petitioner and Proposed Appellant.

New Orleans, Louisiana, June 21, 1935.

[fol. 79] IN SUPREME COURT OF LOUISIANA

No. 33065

[Title omitted]

ASSIGNMENT OF ERRORS ACCOMPANYING PETITION FOR APPEAL TO SUPREME COURT OF UNITED STATES—Filed June 21, 1935

Camille V. Treigle, plaintiff in the above cause, praying for an appeal herein to the Supreme Court of the United States, assigns the following errors in the record and proceedings in said cause:

1. In said suit there was drawn in question the validity of Sections 53, 54, 55 and 56 of Act No. 140 of the legislative Acts of the State of Louisiana approved July 12, 1932 and known and cited as "Louisiana Homestead and Building and Loan Statute", on the ground that they are repugnant to Article I, Section 10, of the Constitution of the United States, and the decision of the Supreme Court of the State of Louisiana is in favor of the validity of said Statute, which decision is hereby assigned as error.

2. In said suit there was drawn in question the validity of Sections 53, 54, 55 and 56 of Act No. 140 of the legislative Acts of the State of Louisiana approved July 12, 1932, and known and cited as "Louisiana Homestead and Building and Loan Statute", on the ground that they are repugnant to Amendment XIV, Section 1, of the Constitution of the United States, and the decision of the Supreme Court of the State of Louisiana is in favor of the validity of said Statute, which decision is hereby assigned as error.

3. The Supreme Court of Louisiana erred in not holding Sections 53, 54, 55 and 56 of said Act No. 140 of 1932 of Louisiana, and each of said sections to be repugnant to Section 10 of Article I of the Constitution of the United States.

4. The Supreme Court of Louisiana erred in not holding Sections 53, 54, 55 and 56 of Act No. 140 of 1932 of Louisiana, and each of said Sections to be repugnant to Section 1 of the Fourteenth Amendment to the Constitution of the [fol. 80] United States.

5. The Supreme Court of Louisiana erred in holding that Section 10 of Article I of the Constitution of the United States "does not protect contracts which deal with a subject matter within the control of Congress or the Legislature".

6. The Supreme Court of Louisiana erred in holding that there is nothing "unreasonable, arbitrary or discriminating in Sections 53, 54, 55 and 56 of Act No. 140 of 1932 of Louisiana, or in any one of these Sections".

7. The Supreme Court of Louisiana erred in not holding that a shareholder in a Louisiana building and loan association, who had given notice of withdrawal more than 60 days prior to the effective date of Act No. 140 of 1932 of Louisiana, has a vested right of property to be paid in full upon reaching the top of the withdrawal list, and to compel the allocation to withdrawals of 50% of net receipts, and of which vested right of property he is deprived by Sections 53, 54, 55 and 56 of Act No. 140 of 1932 of Louisiana, in violation of the Fourteenth Amendment to the Constitution of the United States.

8. The Supreme Court of Louisiana erred in not holding that a shareholder in a Louisiana building and loan associa-

tion, who had given notice of withdrawal more than sixty days prior to the effective date of Act No. 140 of 1932 of Louisiana has a contractual obligation obliging the Building and Loan Association to pay him in full upon his reaching the top of the withdrawal list, and obliging it to allocate 50% of its net receipts to care for withdrawals, which contract obligations are impaired by Sections 53, 54, 55 and 56 of Act No. 140 of 1932 of Louisiana in violation of Article I Section 10 of the Constitution of the United States.

9. The Supreme Court of Louisiana erred in not holding Sections 53 and 56 of Act No. 140 of 1932 of Louisiana and each of said Sections to be repugnant to the Fourteenth Amendment to the Constitution of the United States in that these sections delegate to the several boards of directors of building and loan associations the unregulated discretion to withhold payment of petitioner's withdrawal shares, while themselves continuing to enjoy the use thereof.

10. The Supreme Court of Louisiana erred in not hold-
[fol. 81] ing Sections 53, 54, 55 and 56 of Act No. 140 of 1932 of Louisiana, and each of said Sections to be unreasonable invasions of the right of property and unreasonable impairments of contract obligations under the guise of the Police Power, and therefore, unconstitutional.

For which errors, Camille V. Treigle prays that said judgment herein of the Supreme Court of the State of Louisiana dated March 4, 1935, rehearing denied April 1, 1935, in the above entitled cause be reversed, and judgment rendered in favor of the said Camille V. Treigle.

Dated June 21, 1935.

(Sgd.) Alex W. Swords, (Sgd.) A. Giffen Levy,
Counsel for Camille V. Treigle.

[fol. 82] IN SUPREME COURT OF LOUISIANA

No. 33065

[Title omitted]

ORDER ALLOWING APPEAL TO SUPREME COURT OF UNITED STATES

The petition of Camille V. Treigle for an appeal in the above suit to the Supreme Court of the United States from

the Supreme Court of the State of Louisiana, and the assignment of errors and statement of basis of jurisdiction filed therewith, and the record of said suit having been considered, it is

Ordered that an appeal be and is hereby allowed to the Supreme Court of the United States from the Supreme Court of the State of Louisiana, as prayed in said petition, and that the clerk of the Supreme Court of the State of Louisiana shall prepare and certify a transcript of the record and proceedings in the above suit and transmit the same to the Supreme Court of the United States within forty (40) days from the date hereof.

It is further ordered that said Camille V. Treigle shall give good and sufficient security in the sum of One Thousand ($1,000.00) Dollars, that said appellant shall prosecute said appeal to effect, and if said appellant fail to make his plea good, he shall answer all costs,

The said appellant now presenting a bond in the sum of One Thousand ($1,000.00) Dollars, with Andrew Gaffney, of New Orleans, Louisiana as surety, it is

Ordered that the same be, and is hereby, approved.

Dated June 21, 1935.

(Signed) Charles A. O'Niell, Chief Justice of the Supreme Court of Louisiana. (Seal.)

[fols. 83-92] Bond on appeal for $1,000.00, approved and filed June 21, 1935, omitted in printing.

[fol. 93] Citation in usual form, showing service on D. H. Theard, omitted in printing.

[fol. 94] IN SUPREME COURT OF LOUISIANA

No. 33065

[Title omitted]

AGREEMENT OF COUNSEL AS TO TRANSCRIPT OF RECORD—Filed June 22, 1935

It is agreed between counsel for appellant and counsel for appellee in the above matter, in which an appeal has

been ordered from the Supreme Court of Louisiana to the Supreme Court of the United States, that the Clerk of the Supreme Court of Louisiana shall include the entire record in the transcript; and that in making up the transcript the said Clerk may use one of the duplicate transcripts of the cause now in his office.

New Orleans, Louisiana, June 21, 1935.

(Signed) Alex W. Swords, (Signed) A. Giffen Levy, Counsel for Appellant. (Signed) Delvaille H. Theard, Counsel for Appellee.

[fol. 95] Clerk's certificate to foregoing transcript omitted in printing.

[fol. 96] SUPREME COURT OF THE UNITED STATES

STATEMENT BY APPELLANT OF POINTS TO BE RELIED UPON AND DESIGNATION OF THE PARTS OF THE RECORD TO BE PRINTED— Filed July 26, 1935

Comes now Camille V. Treigle, the appellant in the above entitled cause, and states that he adopts his assignment of error as his statement of the points to be relied upon.

Said appellant further states that the following parts of the record as filed in this Court are deemed necessary for the consideration of the case, and are designated as the parts of the record to be printed.

Title of Paper	Record Pages
1. Plaintiff's petition and exhibit	1 to 10
2. Defendant's answer and exception	11 to 18
3. Section 6, Article IV, By-laws of Acme Homestead Association (p. 28)	30
4. Reasons of District Judge	32 to 40
5. District Court's decree	41
6. Opinion and decree of Supreme Court of Louisiana	49 to 70
7. Application of Camille V. Treigle for rehearing	71 to 73
8. Denial of application for rehearing April 1, 1935	74

Title of Paper	Record Pages
9. Petition for appeal to this Court	76 to 78
10. Assignment of errors	79 to 81
11. Statement of Basis of Jurisdiction	85 to 91
12. Order allowing appeal	82
13. Bond for appeal	83 to 84
14. Citation of appeal and return	93
15. Agreement on Transcript	94
16. Proof of service required by Rule 12, paragraph 2	92
17. Certificate of Clerk Supreme Court of Louisiana	95
18. This Statement of Points to be relied on and parts of record necessary for consideration and to be printed.	

July 23, 1935.

Alex. W. Swords, A. Giffen Levy, Counsel for Camille V. Treigle, Appellant.

Service acknowledged this July 23, 1935.

Devaille H. Theard, Attorney for Defendant Acme Homestead Association. Address: 406 Canal Bank Bldg., New Orleans, Louisiana.

[fol. 97] [File endorsement omitted.]

Endorsed on cover: File No. 39,841. Louisiana, Supreme Court. Term No. 287. Camille V. Treigle, Appellant, vs. Acme Homestead Association. Filed July 26, 1935. Term No. 287, O. T. 1935.